

CAPITAL IMPROVEMENT PROGRAM REVIEW

TO: Lincoln City-Lancaster County Planning Commission

FROM: Duncan Ross, Planning Department

SUBJECT: Draft Lincoln FY 2001/02-2006/07 Capital Improvement Program

DATE: May 1, 2001

COPIES: Mayor Wesely, Mayor's Capital Improvement Advisory Committee, City Directors, County Budget Office, Media, Kent Morgan

This memorandum and accompanying document represent the Planning Commission Review Edition of the City of Lincoln's FY 2001/02-2006/07 Capital Improvement Program (CIP).

This memorandum is divided into the following two major sections: (1) Background and Introduction, including consideration of the City Charter specified tasks of the Planning Commission in review the draft CIP, and review of other factors regarding the development of the draft CIP; and, (2) Capital Improvements Program Departmental Review, including a department by department examination of projects and Comprehensive Plan conformity.

1. BACKGROUND AND INTRODUCTION

This section of the memorandum considers a range of topics relating to the City's CIP review procedures. These topics are as follows:

- A. Planning Commission Review Requirements
- B. Conformity Standards and Criteria
- C. Capital Improvements Definition
- D. Unified CIP and TIP
- E. General Obligation (GO) Bonds
- F. Project Scheduling

A. Planning Commission Review Requirements

In accordance with Article IX-B, Section 7, of the Lincoln Charter, city departments and agencies have submitted their six-year capital improvement requests to the Planning Director for compilation into the attached draft document. ***The Planning Commission's task is to now review these individual capital requests to determine their conformity with the approved Comprehensive Plan.*** Your comments will then be forwarded to the Mayor's Capital Improvement Advisory Committee (CIAC), and then to the City Council for consideration during their upcoming budget deliberations.

The City Charter's discussion of Comprehensive Plan conformity relative to the capital improvement program is two fold. First, on several occasions the Charter stresses the importance of ensuring that Comprehensive Plan conformity is determined before capital projects are approved by City Council. One entire section of the Charter (i.e., Article IX-B, Section 6) deals exclusively with this issue. It states in part,

"No ordinance, or resolution, which deals with the acquisition, extension, widening, narrowing, removal, vacation, abandonment, sale or other change relating to any public way, transportation route, ground, open space, building or structure, or other public improvement of a character included in the comprehensive plan, shall be adopted by the council until such ordinance or resolution shall first have been referred to the planning department and that department has reported regarding conformity of the proposed action to the comprehensive plan."

The section goes on to outline procedural steps and time lines for fulfilling this requirement. (Please note that the Charter defines the term "planning department" as including the Commission, Planning Director and staff.)

Second, while this directive is echoed throughout various portions of the Charter, it is mitigated by the procedural condition that the Commission's conformity finding is merely advisory. Regardless of the Commission's recommendation, the City Council can approve -- through ordinance or resolution -- any capital improvement, provided that other Charter budgetary requirements and processes are met.

In addition, while the Charter calls for a six year capital improvement program, the City Council only approves a one year capital budget. Although it is designed to express the City's longer term capital funding intent, the CIP document is never adopted in full. Thus, the impact of the Commission's Comprehensive Plan conformity determination is further narrowed to the first year of the CIP.

This is not, however, to suggest that the Commission's findings on the remaining years of the CIP are not without significance. Concerns raised about projects in the second through sixth year are used by elected officials and staff in the formulation of future CIP's and other departmental level capital programming documents.

Also as discussed later in section 1.D, revised Federal guidelines now require that projects included in the local area Transportation Improvement Program (TIP) be consistent with the area's long range transportation plan. This adds substantial meaning to the Commission's findings of conformity for transportation projects since the CIP are included in the local and State TIP. If a project is determined to be "not in conformance," Federal standards will require that it be dropped from the TIP until the project is modified and its status changed to be in conformance, or the Comprehensive Plan is amended to incorporate the project.

B. Conformity Standards and Criteria

The City Charter provides only minimal guidance to the Planning Commission and staff in judging Comprehensive Plan conformity. Specifically, the Charter states that the CIP document "...shall describe the ***character and degree of conformity and nonconformity*** of each project as it relates to the comprehensive plan."

At various places within the Charter this mandated review is asserted, including "special report" provisions when capital projects are brought forth by departments independent of the regular capital improvement programming process. However, throughout the Charter's discussion on the CIP and its review and approval process, no additional standards or criteria are articulated to assist in concluding Comprehensive Plan conformity.

Historically, the Commission and planning staff have utilized a four tiered system in defining "character and degree of conformity or nonconformity:"

ICWP -	In Conformance With Plan
GCP -	Generally Conforms With Plan
NICP -	Not In Conformance With Plan
NIP -	Not in Plan

The range of factors that are used by staff in formulating a recommendation of conformity or nonconformity generally included:

- o **Explicit Reference and Plan Intent** - Many of the projects proposed in the CIP are explicitly identified in the Comprehensive Plan, either on a map and/or in the text. In such cases, a finding of Plan conformity -- assuming other criteria are met -- is easily established. An even larger number, however, are not shown, but their desirability, and thus assumed conformity, is implied. For example, the Plan does not get into such detail as the installation of a water fountain or play equipment in a specific City park. The City park may be shown on a map in the Plan and the intent of maintaining such a park is implicit in the Plan's goals and textual descriptions. Thus, at a minimum, a finding of general conformity would be proposed.
- o **Location** - The vast majority of capital improvements are site specific. Streets, water mains, fire stations, and sewer treatment facilities are all examples of capital projects where a expressed location can be determined. Fire fighting equipment, on the other hand, is mobile and its use cannot as easily be tied to a physical site within the City.

The importance of location as a criteria has increased as we attempt to be more explicit in how we show public improvements in the Comprehensive Plan. In most cases, it is extremely helpful to have this level of detail for purposes of comparison. Conversely, such detail can become a liability as the exact location and dimensions of many capital improvements are justifiably altered as a project is refined for eventual construction.

A further element of judgement is then introduced as to the "degree" to which a proposed project may vary from how it is shown or described in the approved Plan. Is the proposed project in the exact location expressed in the Plan? If not, how and why is it different? And is that difference significant enough to render it in "nonconformity" with the Plan? Or was some degree of modification of such a project implied (i.e., accepted) as part of the Plan's approval?

- o **Size, Scale and Scope** - The Plan's descriptions of capital projects can vary from the very explicit (i.e., four through lane roadway, left turn lanes, raised medians, 100 ft. ROW), to the very general (i.e., a community park within a sector of the city.) Once again, as the Plan becomes more detailed, those charged with the responsibility of recommending findings of Plan conformity will find both benefits and liabilities in the Plan's level of specificity.

For example, should the Plan show a 16 inch water main, but the Public Utilities Department determines upon closer inspection that a 24 inch would really be more prudent for fire safety reasons, is this sufficient to declare the project as "not in conformance?" Alternatively, changing the main size from 16 inches to 48 inches, and thus dramatically increasing the area potentially serviced by the main, would raise broader Comprehensive Plan concerns and may result in a different finding.

- o **Timing** - With the incorporation of the phasing element (Figure 65) into the Plan, the issue of when a public capital improvement is brought forward for development becomes increasingly significant. The availability of public infrastructure (e.g., sewer services, roads, water, fire protection) plays a pivotal role in determining where and when private capital investment might occur. Added to this is the lengthy lead time often needed in planning for and constructing public improvements.

If a department proposes a project that explicitly varies from a development scheduled outlined in the Plan, then a status of "not in conformance" is implied. Where such information is less explicit (i.e., no detailed schedule is included), then the timing issue must be related to the phasing plan and the project's impact on maintaining the integrity of that element of the Comprehensive Plan.

- o **Project Definition and Description** - A last factor used in reviewing Plan conformity is the representation that the department makes of the specific project. This is typically done within the CIP in the "Project Summary and Justification" section and the project description presented on Form A. This, in combination with information such as that outlined above, helps the reviewer form a broader understanding the content and context of the proposed capital improvements. This in turn can be used in assessing conformity with the policies and directives contained in the Comprehensive Plan.

C. Capital Improvements Definition

In preparing the CIP, the City Charter defines "*capital improvements*" as consisting of the following:

"...the acquisition of real property; the acquisition, construction, reconstruction, improvement, extension, equipping, or furnishing of any physical improvement, but not routine maintenance work thereon; and equipment with a *probable useful life of fifteen or more years*."

This definition has served as the basis for the development of the attached document. The term "Fiscal Year" (FY) as used in this document refers to the City's fiscal year that runs from September 1st through August 31st of the following year.

D. CIP and TIP

Federal regulations requirement the development of a "transportation improvement program" (TIP) for metropolitan areas such as Lincoln. Similar in character to the City's CIP, the TIP is a multi-year, capital improvement programming document. It is used to help coordinate the implementation of transportation projects within urbanized areas. The Lincoln TIP, for example, includes transportation projects for various levels of government (i.e., Federal, State, County, City), and for various modes of transportation (i.e., streets, airports, transit services.) It also serves as input into the State's TIP (STIP) that is used to coordinate transportation improvements for the entire State of Nebraska.

In years past, projects from the City's CIP have been incorporated into the Lincoln TIP following adoption of the CIP by the Council. Because of changes in Federal public involvement regulations and the desire locally to ensure that projects are properly coordinated between the two programming documents, it was decided several years ago that the two processes (i.e., formulation of the CIP and TIP) should be merged.

E. General Obligation (GO) Bonds

A relatively common funding source for City capital projects is the "general obligation (GO) bond." Unlike certain other forms of bonds, the City Council and Mayor cannot unilaterally issue GO bonds. The issuance of GO bonds is dependent upon the prior approval of the electorate of Lincoln. In order to minimize the costs associated with conducting such elections, GO bonds have been programmed for only those years having regularly scheduled City elections. For this CIP, these include FY 2002-2003, FY 2004-2005, and FY 2006-2007.

Additionally, since the elections are held in April (i.e., primary) and May (i.e., general), issuance of GO bonds cannot occur until late into the fiscal year. Thus projects shown for GO bond funding -- and assuming favorable voter response -- would not be initiated until very late in the fiscal year, with actual construction possibly not beginning until the following fiscal year.

F. Project Scheduling

Maps included in the CIP typically indicate a project number and often an associated fiscal year. The fiscal year designation should not be taken as an automatic indicator of when a particular facility will be finished and opened for public use. In certain cases, large scale capital projects take years to complete. The reader should consult the more detailed information contained on the Forms A and B for a better indication of exactly when a particular capital project is likely to be completed. And even with this, please be aware that other scheduling contingencies may occur that can alter the management and completion of the project.

II. CAPITAL IMPROVEMENTS PROGRAM DEPARTMENTAL REVIEW

The balance of this memorandum presents a department by department review of capital programs for the FY 2001/02-2006/07 time period. This includes a general staff discussion of recommended Comprehensive Plan conformity status for each department. The actual project-by-project recommendations are to be found in Column 9 of the Form B for each department. As with past CIP reviews, the four categories of conformity status mentioned earlier were used in this year's CIP document.

Table 1 displays the total proposed capital funding by departments over the six year programming period. Total dollar amounts by funding source are shown in Table 2. General revenue fund usage is presented in Table 3, while projected General Obligation (GO) bonds are presented in Table 4.

The balance of the memorandum considers the requested six year capital programs of each department. They are presented below in the same order as in the draft CIP document that follows this memorandum.

A. FINANCE DEPARTMENT

The Finance Department's capital improvements program submittal this year target improvements to Pershing Auditorium and the Communications/911 Center.

1. Pershing Auditorium

Pershing Auditorium's capital improvements program includes funds for the continued refurbishing and renovation of the Auditorium through the six year period. In the first year, Project 7 identifies Concession Stand Improvements totaling \$150,000 using other funds. A series of major capital projects are proposed

for consideration in the second year using general obligation bonds. This \$1,061,500 undertaking includes installation of a passenger elevator and electronic entry doors, exterior building work, replacement of the Auditorium's chiller, and an asbestos abatement program. The elevator and electronic entry door projects are being done to meet Federal Americans With Disabilities Act (ADA) requirements.

All of the projects included in the Pershing Auditorium's CIP were found to be in general conformance with the Comprehensive Plan.

2. Communications/911 Center

The Communications/911 Center includes two projects designed to enhance their operations. The only first year project includes installation of radio repeaters to ensure the adequacy of the backup system and replacement of the 911 telephone system. Future year project includes replacement of 911 telephone system.

All of the projects included in the Communications/911 Center's CIP were found to be in general conformance with the Comprehensive Plan.

B. FIRE DEPARTMENT

Lincoln Fire Department's CIP submittal includes nine projects, two of which occur within the first fiscal year. General obligation (GO) Bond projects are requested for the second and sixth fiscal years. These involve four new fire stations, an educational, training and fleet service campus, and various pieces of equipment. General Revenue projects are also shown in years one through six. One station relocation project (Project No. 9 for Station #11) is included in the CIP as a point of reference for future programming – no funding source or costs are shown for the project.

All of the projects included in the Fire Department's CIP were found to be in full or general conformity with the Comprehensive Plan.

C. PARKS AND RECREATION

Capital improvements to the City's parks and recreation system are projected to cost around \$22.3 million over the six year period. General revenue and keno funds account for the vast majority of the funds programmed during the duration of the CIP. Funds from private sources are also being shown for a substantial portion of the six year improvement program. These latter projects total \$7.9, or approximately 35 percent of the overall Parks and Recreation CIP. Golf capital improvement funds, athletic improvement fees, and landfill revenue account for the balance. An Ice Arena, Project 19 is identified for funding in years two through six utilizing primarily keno funds.

The first year Parks and Recreation program includes \$3.3 million in capital projects, including \$1.1 in projects involving "Other Financing." The largest projects sponsored solely by the P&R Department are the University Place Pool replacement effort, Woods Pool/Tennis Complex renovation and expansion, Pioneers Park Nature Center improvements and F Street Recreation Center. Notable first year projects involving "Other Funds" include Centennial Mall and ECCO Park new construction, Wilderness Park land acquisition, and Husker Link Trail land acquisition.

All projects included in the Parks and Recreation Department's CIP were found to be in full or general conformity with the Comprehensive Plan.

D. PUBLIC WORKS

The Public Works Department's capital program includes projects for five divisions: (1) StarTran; (2) Parking; (3) Streets and Highways; (4) Storm Sewer and Drainage; and (5) Maintenance.

1. StarTran

StarTran's six year, \$9.4 million capital improvement program is funded largely through Federal transportation money, with the balance coming from City general revenues and special reserves. The largest single capital item is the financing of the purchase of 41 full size buses.

All of the projects in StarTran's CIP were found to be in general conformance with Comprehensive Plan.

2. Business Office Parking

The Business Office Parking section of the Public Works Department's CIP includes on-going renovations and enhancements to existing parking facilities, and the development of several new parking facilities in the Downtown.

While public parking facilities as individual projects are not explicitly addressed in the Plan, there are numerous references to the desirability of maintaining adequate Downtown parking, including a strategy that "The City should aggressively pursue the creation of additional parking to meet the needs of a growing Downtown...."

All of the projects in the Parking's CIP were found to be in general conformance with the Comprehensive Plan.

3. Streets and Highways

The Streets and Highways capital program proposed by Public Works identified 30 projects totaling \$188.6 million for the six year programming period. These projects range from resurfacing projects to the construction of major new roadway facilities.

With the adoption of the Comprehensive Plan in late 1994, a list and maps of specific street projects was added to the Plan. These, along with other supporting Plan documentation, have been used as the basis for the development of the "Streets and Highways" CIP submittal and have been used in determining Comprehensive Plan conformity. Some selected projects do require that a Comprehensive Plan amendment be approved prior to their implementation. None of these projects are programmed for the first year of the CIP.

All of the projects included in the Streets and Highways' CIP were found to be in full or general conformity with the Comprehensive Plan.

4. Storm Water and Drainage

The proposed Storm Water and Drainage CIP contains approximately \$18.8 million in improvements over the six year period. The passage of three general obligation bond issues (in FY 2002-2003, FY 2004-2005, and FY 2006-2007) would constitute the bulk of the funding for these improvements -- currently proposed

to be near \$16.5 million. The remaining storm water projects are proposed to be funded through General Revenues. These include city subsidy in paving districts, preliminary planning efforts, miscellaneous storm sewer improvements, and the continued development of a Comprehensive Master Storm Water Management Plan.

All of the proposed projects in the Storm Water and Drainage's CIP were found to be in general conformance with the Comprehensive Plan.

5. Maintenance

The single Public Works Department's Maintenance Division's CIP project involves the development of a satellite maintenance facility in southeast Lincoln. The project includes initial funds for site plans and preliminary engineering, with the development of a facility programmed during the second year of the six year CIP period.

The project contained in the Maintenance's CIP request was found to be in general conformance with the Comprehensive Plan.

F. PUBLIC UTILITIES

The Public Utilities section is divided into three major areas: (1) Water Production and Distribution; (2) Wastewater; and (3) Landfill.

1. Water Production and Distribution

The Lincoln Water System contains approximately \$45.2 million in water supply, treatment, storage and distribution improvements. Included in this year's submittal are projects that are intended to enhance water services to the existing City, while others will provide growth opportunities along the urban fringe.

Notable capital projects include a floating storage reservoir at 84th and Yankee Hill Road, major transmission lines along 84th Street and along Alvo Road, selected replacement of mains, and subsidies for distribution mains.

All of the proposed projects of the Lincoln Water's CIP were found to be either in full or general conformity with the Comprehensive Plan.

2. Wastewater

The City's Wastewater capital improvement program sets forth approximately \$59.2 million in projects, encompassing both the Theresa Street and Northeast Treatment Plants, construction of new sanitary sewer mains, and the selective replacement of existing mains.

All of the projects in the proposed Wastewater's CIP were found to be either in full or general conformance with the Comprehensive Plan.

3. Sanitary Landfill

Capital improvements for the Sanitary Landfill included the Bluff Road Sanitary Landfill, the North 48th Street Landfill and Transfer Station, and the Solid Waste Management System. The proposed projects total about \$17.8 million for the six year period.

All of the projects in the proposed Sanitary Landfill's CIP were found to be in general conformance with the Comprehensive Plan.

G. URBAN DEVELOPMENT

The Urban Development Department's Community Development Division is proposing thirteen capital projects totaling \$9.6 million over the programming period.

These projects include the Old Federal Building Redevelopment, Entryway Corridor improvements, University Place Revitalization, North 27th Street Redevelopment, 12th Street Revitalization, Vine Street Revitalization, development of an entertainment complex in Downtown, and other redevelopment activities.

The Urban Development CIP was found to be in full or general conformity with the Comprehensive Plan.

H. LINCOLN ELECTRIC SYSTEM

Representing the largest single element in the CIP, the Lincoln Electric System's \$432 million capital budget embodies a substantial investment in electrical power supply and distribution for the community. Power supply constitutes over half of the total amount at \$252 million, with the major components being LES's investment in the Iatan Power Plant Project, the Salt Valley Generating Station, and the Laramie River Station.

Several transmission and substation projects were not found to be in the Comprehensive Plan. As such, a Comprehensive Plan amendment is proposed to incorporate these projects into the Plan.

The Lincoln Electric System CIP was found to be in full or general conformity with the Comprehensive Plan.

I. LINCOLN CITY LIBRARIES

The Lincoln City Libraries are proposing no new capital improvements before the third year of the CIP programming period. The largest single project of the Department's proposed \$8.4 million capital budget is the renovation of the Bennett Martin Library in FY 2004-2005. This enterprise is proposed for a General Obligation (GO) bond in the fourth year of the CIP. All other projects involved maintenance activities utilizing General Revenue funding.

The Lincoln City Libraries' CIP was found to be in general conformance with the Comprehensive Plan.

J. AGING

The capital program for the Aging/Community Services Division of the Mayor's Office involves two projects – the expansion of the Northeast Senior Center and a new South Senior Center. The Northeast Senior Center is being programmed for the second year of the CIP. The Senior Center in South Lincoln is programmed for the sixth year and involves preliminary design.

The Aging/Community Services Division CIP was found to be in general conformance with the Comprehensive Plan.

K. CITY-COUNTY HEALTH DEPARTMENT

The City-County Health Department is proposing the acquisition of an "emergency response support vehicle." This vehicle would be utilized by the Department's Chemical Emergency Response staff when they are required to respond to a chemical or hazardous materials incident. The CIP indicates acquisition of the vehicle in the first year of the program.

The City-County Health Department CIP was found to be in general conformance with the Comprehensive Plan.

L. POLICE DEPARTMENT

The capital program for the Police Department involves two projects – the replacement of the city-owned Police Garage and a new assembly station. Both projects are shown as unknown in the third and fourth years of the CIP. No CIP expenditures are requested during Fiscal Year 2001-02.

The Police Department CIP was found to be in general conformance with the Comprehensive Plan.

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